

Privatization Fact Sheet



MILITARY HOUSING PRIVATIZATION INITIATIVE (MHPI) ENVIRONMENTAL IMPACT STATEMENT (EIS) EGLIN AIR FORCE BASE AND HURLBURT FIELD, FLORIDA

Purpose

The purpose of privatizing military family housing at Eglin AFB and Hurlburt Field is to utilize private sector investment and efficiencies to improve base housing by making use of limited resources to build and renovate military housing faster and at a lower cost, resulting in quality, affordable housing for Eglin AFB and Hurlburt Field service members and their families.



Need

The Department of Defense (DoD) has determined that the current condition of DoD-owned housing is poor. About 60 percent of DoD units need to be renovated or replaced.

At Eglin AFB and Hurlburt Field, over 75 percent of housing units are more than 30 years old and do not meet current Air Force housing standards as established by MFH size standards. The Air Force estimates it would cost more to use traditional approaches to revitalize its housing and take a longer period of time to implement (approximately 20 years). Privatization would allow the Air Force to provide quality housing to its service members in a timely manner at lower cost to taxpayers.



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What is Privatization?

The National Defense Authorization Act of 1996 provided the DoD with authority to enlist the help of private sector to build new and/or renovate existing housing units through a process of housing privatization. The Air Force is privatizing housing to improve quality of life for Air Force families. Privatization would provide airmen quality, affordable housing in approximately half the time it could be achieved through the traditional military construction process (MILCON). The goal of privatization is to use the private sector housing developers and contractors to either renovate existing housing units or demolish existing units and build new ones, including the utilities, roadways, and community services needed to support such developments.

What Does Privatization Look Like?

The Air Force identifies its housing needs by conducting a *Housing Requirements Market Analysis* (HRMA) study. Based on the study, the Air Force solicits proposals from private developers for housing revitalization, selects the developer through the request for proposal process, conveys the homes, and leases the land to the developer to begin work.

- ▶ The developer provides a complete financing package for all construction, demolition, renovation, maintenance, and management of housing.
- ▶ The developer owns, revitalizes, operates and maintains the facilities for a 50-year period.
- ▶ The tenants sign a one-year lease with the developer, pay rent via allotment to the developer and pay for electric and gas services.
- ▶ Rental rates include water, sewer, and refuse collection.
- ▶ The Air Force retains ownership of all land under and around the housing.

